

OFFICIAL TRANSCRIPT OF PROCEEDINGS BEFORE THE POSTAL RATE COMMISSION

In the Matter of:)
) Docket No. MC 2003-2
EXPERIMENTAL PARCEL RETURN)
SERVICES)

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POSTAL RATE COMMISSION

In the Matter of:)
) Docket No. MC 2003-2
EXPERIMENTAL PARCEL RETURN)
SERVICES)

Room 300
Postal Rate Commission
1333 H Street, N.W.
Washington, D.C.

Volume 1
Wednesday, June 25, 2003

The above-entitled matter came on for hearing, pursuant to notice, at 2:02 p.m.

BEFORE:

HON. GEORGE A. OMAS, CHAIRMAN
HON. DANA B. "DANNY" COVINGTON, VICE-CHAIRMAN
HON. RUTH Y. GOLDWAY, COMMISSIONER
HON. TONY HAMMOND, COMMISSIONER

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P R O C E E D I N G S

(2:02 p.m.)

CHAIRMAN OMAS: Good afternoon and welcome.

This is a pre-hearing conference in Docket No. MC 2003-2 considering the Postal Service's request for experimental parcel return service.

I am George Omas, Chairman of the Commission. With me on the Bench is Commissioner Goldway and Commissioner Tony Hammond.

When the Postal Service filed its request it indicated that it believed a settlement agreement might be possible in this case and requested authority to convene a settlement conference. The conferences were authorized and it is my understanding that a settlement conference was held on Tuesday, June 24th.

Shortly I will ask counsel to advise the Commission on what progress has been made toward that settlement.

First, however, I would like to ask counsel to identify themselves for the record.

The United States Postal Service.

MR. REITER: Good afternoon, Mr. Chairman. I'm Scott Reiter and with me is Brian Reimer.

CHAIRMAN OMAS: American Postal Workers Union, AFL-CIO.

1 MR. TABBITA: Philip Tabbita for the American
2 Postal Workers Union.

3 CHAIRMAN OMAS: Thank you.

4 AOL-Time Warner, Inc.

5 (No response.)

6 CHAIRMAN OMAS: Association for Postal Commerce.

7 MR. WIGGINS: Frank Wiggins, Mr. Chairman, for the
8 Association for Postal Commerce. I am also appearing for
9 Bookspan.

10 CHAIRMAN OMAS: Thank you.

11 Association of American Publishers.

12 MR. PRZYPYSZNY: John Przypyszny for the
13 Association of American Publishers.

14 CHAIRMAN OMAS: Association of Priority Mail
15 Users, Inc.

16 (No response.)

17 CHAIRMAN OMAS: Bookspan.

18 Mr. Wiggins has already identified himself.
19 Douglas F. Carlson.

20 (No response.)

21 CHAIRMAN OMAS: Commodity Shippers Association.

22 (No response.)

23 CHAIRMAN OMAS: Direct Marketing Association,
24 Incorporated.

25 (No response.)

1 CHAIRMAN OMAS: Magazine Publishers of America.

2 MR. MYERS: Good afternoon. Pierce Myers for the
3 Magazine Publishers of America, Inc.

4 CHAIRMAN OMAS: Thank you.
5 Mail Order Association of America.

6 MR. TODD: David Todd appearing for Mail Order
7 Association of America.

8 CHAIRMAN OMAS: Thank you.
9 Office of the Consumer Advocate.

10 MR. RICHARDSON: Kenneth Richardson and Shelley
11 Dreifuss, Director of the Office of the Consumer Advocate.

12 CHAIRMAN OMAS: Thank you.
13 Parcel Shippers Association.
14 (No response.)

15 CHAIRMAN OMAS: Pitney Bowes, Incorporated.

16 MR. SCANLON: Michael Scanlon on behalf of Pitney
17 Bowes.

18 CHAIRMAN OMAS: Thank you.
19 David B. Popkins.
20 (No response.)

21 CHAIRMAN OMAS: Counsel for Parcel Shippers
22 Association has just arrived, Mr. Tim May.
23 United Parcel Service.

24 MR. McKEEVER: Good afternoon, Mr. Chairman. John
25 McKeever for United Parcel Service. Laura Biancke will also

1 be appearing on behalf of UPS, although she is not here
2 today.

3 CHAIRMAN OMAS: Thank you.

4 Is there anyone I've missed?

5 (No response.)

6 CHAIRMAN OMAS: Now I think it's time to find out
7 whether progress has been made toward that settlement.

8 Mr. Reiter, will you please give us a status
9 report?

10 MR. REITER: Yes, Mr. Chairman.

11 I am pleased to report that I think we've made
12 substantial progress towards settlement. Ten of the
13 participants attended the conference yesterday. At least as
14 a preliminary matter none of them intend to oppose the
15 potential settlement, and many of them have already
16 expressed support.

17 Among those who expressed support there was
18 concern about two or three relatively minor issues that we
19 are going to continue discussions on. I think it's
20 certainly our view at the Postal Service and I believe the
21 view of the participants yesterday at the conference that we
22 will likely be able to come up with something that's
23 acceptable to all of us.

24 We also talked a little about scheduling and
25 wanted to recommend that discovery continue until July 3rd

1 and then we would endeavor -- Which would mean that our
2 answers would be due on July 14th. Then we would endeavor
3 during the subsequent two weeks to put together a
4 stipulation and agreement to submit to the Commission by
5 July 28th.

6 CHAIRMAN OMAS: Thank you.

7 Does any participant wish to add anything to the
8 Postal Service's statement?

9 (No response.)

10 CHAIRMAN OMAS: Thank you.

11 The notices of intervention did not include a
12 request that evidentiary hearings be held. Does any
13 participant here today believe that evidentiary hearings are
14 necessary in this case?

15 (No response.)

16 CHAIRMAN OMAS: Discovery has been proceeding
17 well. The Commission has been favorably impressed with both
18 the focus of the questions and the timeliness and
19 responsiveness of the answers. Some questions have dealt
20 with the fact that the Postal Service proposes to offer this
21 service as an experiment without allowing the purchase of
22 ancillary services such as delivery confirmation, certified
23 certificates of mailing or insurance.

24 I would like to request the Postal Service to
25 provide to the Commission an explanation of why mailers will

1 not be allowed to purchase such services during the
2 experiment and whether the Postal Service expects to test
3 the feasibility of extending the options of purchasing such
4 ancillary services in the future.

5 Mr. Reiter, could you provide us with an
6 explanation of this within seven days?

7 MR. REITER: Yes, Mr. Chairman.

8 CHAIRMAN OMAS: Thank you.

9 Does any participant believe that additional time
10 for discovery is necessary? If so, how much time is needed
11 to direct questions to the Postal Service?

12 (No response.)

13 CHAIRMAN OMAS: Thank you.

14 One procedural motion is pending due to a
15 miscalculation of how long it would take to electronically
16 file a set of discovery responses. The motion for late
17 acceptance of response of the United States Postal Service
18 witness Whitten Ables through interrogatories as consumer
19 advocate, OCA USPS T4-1-8 filed June 24th is granted.

20 Has any participant had other problems with the
21 Commission's electronic filing?

22 (No response.)

23 CHAIRMAN OMAS: Does any participant have a matter
24 for consideration at this pre-hearing conference?

25 Commissioner Goldway?

1 COMMISSIONER GOLDWAY: I just have a question of
2 the Postal Service to clarify the record as the proceedings
3 are reviewed in the next couple of weeks.

4 The record is unclear as to whether in your
5 agreed-upon declaration to provide information related to
6 bulk parcel, bound printed matter and parcel select, it
7 would be, I believe, helpful and necessary for us in the
8 context of the experiment to have all of the information
9 that you've agreed upon to be provided to be further broken
10 out with regard to parcel select and bound printed matter.

11 MR. REITER: I am assuming that that was our
12 intention. I'll go back and see if that was not stated
13 clearly somewhere. I believe if you were not finding it
14 that it wasn't clear. We can clarify that.

15 COMMISSIONER GOLDWAY: Thank you.

16 CHAIRMAN OMAS: Thank you, Commissioner Goldway,
17 and thank you, Mr. Reiter.

18 The Commission will issue shortly a procedural
19 schedule taking into account today's discussions.

20 There being no further questions for the
21 Commission, this pre-hearing conference is adjourned.

22 Thank you.

23 (Whereupon, at 2:12 p.m. the conference was
24 adjourned.)

25 //

REPORTER'S CERTIFICATE

DOCKET NO.: MC 2003-2

CASE TITLE: Experimental Parcel Return Services

HEARING DATE: June 25, 2003

LOCATION: Washington, D.C.

I hereby certify that the proceedings and evidence are contained fully and accurately on the tapes and notes reported by me at the hearing in the above case before the Postal Rate Commission.

Date: June 25, 2003



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